

MUNICIPAL SUPPORT DIVISION

FY 2002 – 2003 Strategic Plan

*U.S. Environmental Protection Agency
Office of Wastewater Management
June, 2002*

Municipal Support Division Strategic Plan

Our Vision

All Communities Manage Water Resources Effectively to Achieve Environmental and Health Goals.

Our Mission

To provide, stimulate and transfer information, financial resources and technical assistance through partnerships with States, Territories and Tribes, local governments, national organizations, the private sector and other stakeholders to address high priority public health and water quality issues.

Our Strategy

Close The Funding Gap

Prevent water and wastewater infrastructure deterioration.

Improve Infrastructure Performance

Transform the way wastewater treatment systems are managed.

Lead Change

Support innovation and efficiency.

Introduction

The Environmental Protection Agency's (EPA) major goals and priorities for clean water are stated in the Agency's Strategic Plan (<http://www.epa.gov/ocfopage/plan/plan.htm>.) EPA's strategy is to pursue the highest priority point source and nonpoint source pollution problems as identified on a watershed basis. Watershed-based management seeks to address high-priority public health and water quality challenges, reducing risks from the discharge of

inadequately treated wastewater and other pollutants into our water bodies in the most cost-effective ways possible. There is clear recognition that management of pollution from nonpoint sources is increasingly important and that pollutant loadings from municipal point sources must continue to be reduced.

The role of the Municipal Support Division (MSD) is to provide financial and technical assistance to facilitate the effective management of point and nonpoint sources of water pollution. These include municipal and sub-municipal



wastewater, storm water discharges, and overflows from combined sewers and sanitary sewers during wet weather. MSD also addresses the financing and implementation of point and nonpoint source pollution controls, and the protection of drinking water sources.

Working with our partners, we also address the effective management of wastewater treatment residuals called biosolids, and the conservation, recycling and reuse of water and treated wastewater through both conventional and innovative technologies.

We accomplish our mission by implementing workplans developed by our three branches and their teams. We measure our success by achievement of our strategic objectives and our Annual Performance Goals and Measures as required by the Government Performance and Results Act of 1993. We are working to measure and achieve environmental results rather than program products.

Our Current State

MSD's career environmental and financial professionals have extensive training and experience in municipal wastewater treatment technology and finance, policy and regulation development, grant management, water resource management, performance management and outreach.

We are responsible for the management of the \$37 billion Clean Water State Revolving Fund (CWSRF) program and the financial management of the newer, \$5 billion, Drinking Water State Revolving Fund (DWSRF.) We oversee billions of dollars in special Congressional appropriations for wastewater and drinking water infrastructure projects, and we are helping to assure fiscal responsibility during the conclusion of the construction grant program, the

nation's second largest public works program, authorized under Title II of the Clean Water Act. We help municipalities and others explore improved ways of managing wastewater and the residuals from its treatment in traditional centralized systems as well as on-site and decentralized systems. We encourage water conservation. We assist Tribes and Special Needs communities from the U.S.-Mexico border to Alaska.

MSD's Role for the Future

The future has changed for everyone since September 11, 2001. MSD is still considering our place in that changed future; however, we believe that this strategic plan provides a strong foundation for our future work to improve the security of wastewater treatment and collection infrastructure through our commitment to improve infrastructure performance. We continue to envision a future state in which we are viewed by the Agency and its stakeholders as a national center of excellence that contributes to, and participates in, partnerships that help communities with watershed-based water resources management.

The Water Alliances for Voluntary Efficiency (WAVE) program now includes office buildings and schools, increasing the number of partners by 133%, including more than 480,000 students.

MSD recognizes that success in achieving our policy mission depends on our skill in recruiting and training new employees to ensure continuity of operations, supporting the needs and



development of our work force, improving the efficiency and effectiveness of our internal business processes, and understanding and working to meet the needs of our customers. The division's managers will set explicit, internal goals with staff input, and track their achievement throughout the year.

To continue our progress toward our future state, MSD is taking stock of emerging challenges in water quality. We are also dealing with the projected trend toward increased retirements of key agency staff by working to transfer their knowledge and vast experience, to others through a team-based approach. This Strategic Plan requires that we address what we believe to be our new challenges and responsibilities:

- *Providing incentives for the public and private sectors to invest in improved management, maintenance and rehabilitation of existing collection and treatment systems, and to construct new systems.*
- *Stimulating an atmosphere in which the public and private sectors are willing to invest in research and development leading to improved collection and treatment technologies and reducing the cost of currently available technologies.*

MSD will continue its strong focus on program areas that have resulted in tremendous improvements in water quality and public health during the last 29 years, including:

- *Improving wastewater collection and treatment system performance.*
- *Implementing nonpoint source controls and watershed restoration activities.*
- *Improving the management and*

performance of on-site and decentralized wastewater treatment systems.

- *Addressing emerging water scarcity issues.*

Our Operator Training Program helped 772 wastewater treatment plants achieve and maintain safe, effective treatment last year, and we are improving ways to measure its environmental

Fulfilling Our Role

MSD plans to meet these key, high-priority national water quality challenges through: closing the funding gap, working to improve infrastructure performance, and leading change. We will address each in detail:

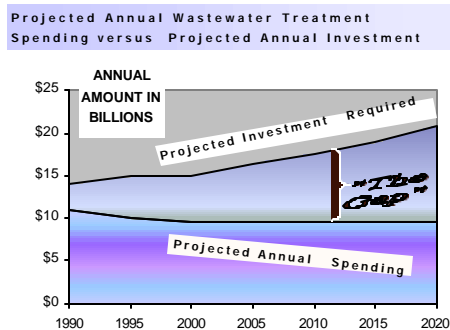
Close the Funding Gap

If the municipal wastewater management sector is to improve upon gains made to date and prevent further water and wastewater infrastructure deterioration, it must identify ways to fund more effective maintenance and rehabilitation of existing facilities as well as the construction of new facilities.

We intend to do that by working with our partners to increase funding and flexibility for the State Revolving Funds, foster public-private partnerships and greater participation of private capital, encourage states and communities to direct funding toward the highest priority



projects on a watershed scale, and encourage cost-based and affordable rates.



As America's population grows during the next 20 years, the nation will have to significantly increase spending to continue to provide required levels of pollutant removal. Much more will be needed to fund replacement of deteriorating infrastructure.

Federal government funding for all categories of infrastructure has been essentially stable between \$40 and \$50 billion per year. However, annual Federal expenditures in current dollars for water and wastewater have declined from nearly \$10 billion in 1980, to about \$2.5 billion today.

The national investment in water and wastewater capital has remained flat for many years but, as infrastructure ages, operation and maintenance costs are rising sharply. Neither the Federal government or any other stakeholder has the resources to satisfy these capital investment needs.

A national dialogue is needed to reach consensus on the appropriate roles and responsibilities of the relevant stakeholders (the Federal government, States, Territories and Tribes, local governments, and the private sector) in providing the necessary investments.

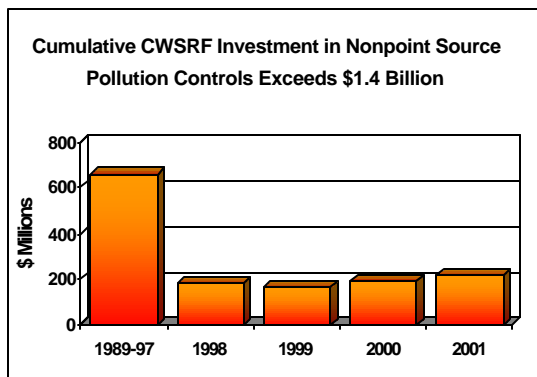
MSD will continue to provide leadership in preparing for and supporting the dialogue,

emphasizing approaches that can extend infrastructure life and reduce costs to taxpayers including the principles of asset management, improved efficiency, technological innovations, research, and user fee structures that encourage conservation.

Improve Infrastructure Performance

During the next several years, several factors will increase the need to improve wastewater system management and develop new technologies. Each of these factors will lead people to seek more efficient and less expensive ways to treat wastewater to improve public health and water quality, and to use water efficiently on a watershed basis. These factors will also lead people to better anticipate future infrastructure needs and to find the most cost-effective solutions for short and long-term infrastructure operation and maintenance:

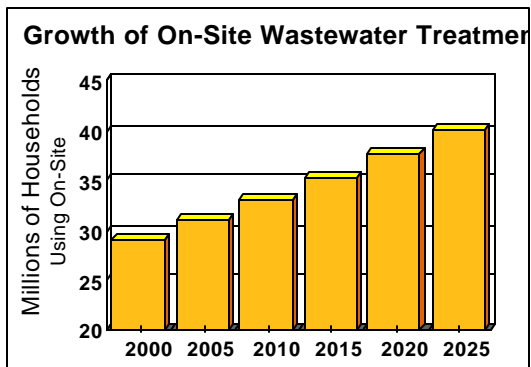
- **Population Growth:** By 2010, the population served by wastewater collection and treatment systems is expected to increase by some 30 million people, increasing pollutant loadings. If current levels of treatment are not increased, by 2016 wastewater treatment plants will discharge about as much total biochemical oxygen demanding pollution as they did in 1972, before the nation adopted the landmark secondary treatment standard.
- **Aging Infrastructure:** Many wastewater treatment and collection systems are decades old and may be reaching the point at which major rehabilitation or replacement is necessary.
- **Water Quality Goals:** As states promulgate and revise water quality standards for specific water bodies and the universe of regulated dischargers expands, dischargers must invest in new technologies and improved management strategies and tools.

Lead Change

MSD will support innovation and improved efficiency through closer relationships and sharing of information with our partners including other EPA Offices, other Federal and international government agencies, States, Territories, Tribes, local governments, national organizations, nongovernmental organizations, educators, and service providers from other public works fields such as water supply, highway construction, and gas and electric service.

- On-site treatment: Over 25% of the U.S. population uses on-site-decentralized wastewater treatment systems. Most function properly, but poorly-managed systems can cause significant health and water quality problems.

EPA's Clean Water Indian Set-aside Program provided more than \$20 million last year, funding 57 projects to improve sanitation in



In order to maintain the level of pollution reduction we have achieved, the municipal wastewater management sector must develop new and different technologies to increase pollutant removal and/or lower the cost of known technologies. We also need to transform the way systems are managed.

Our Strategic Goals

The Agency's goals and priorities for clean water are stated in the Agency's Strategic Plan. MSD's Strategic Goals will contribute directly to the achievement of the Agency's goals.

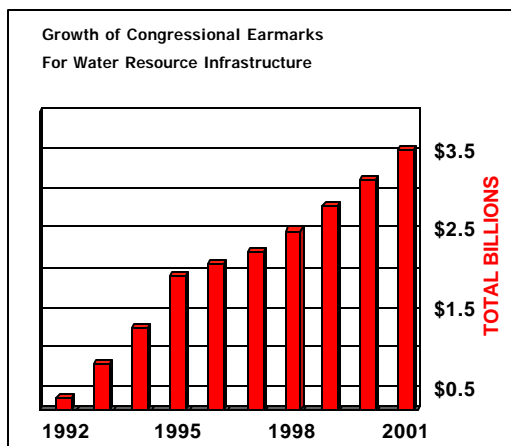
Goal 1 - Close The Gap

Maintain, coordinate, create and implement water resource infrastructure financing programs and partnerships to meet priority community water resource infrastructure needs.

Objectives

1.1 Assure that Federal funds and the funds they leverage are used to meet the most important environmental needs on a watershed basis.

1.2 Assure that Federal funds are managed according to the highest standards of fiduciary responsibility.

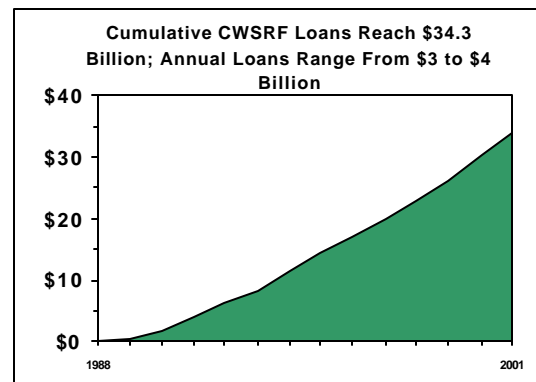


1.3 Assure that the Agency has the best information available to quantitatively assess the amount and value of long-term water and wastewater infrastructure replacement and maintenance needs.

1.4 Provide expert advice for the development of new financial assistance programs and instruments.

1.5 Engage our partners in developing and implementing innovative solutions for closing the gap.

1.6 Determine how well the informational and technical assistance products we offer meet our customers' needs.



Goal 2 - Improve Infrastructure Performance

Develop and disseminate information on community water resource infrastructure management.

Objectives

2.1 Institutionalize financial, economic and engineering management practices to provide required service in the most cost-effective manner.

2.2 Foster the development of new and innovative technologies for water resource infrastructure management, including resource preservation and recovery.

2.3 Foster improved management of decentralized and on-site systems.

2.4 Provide technical support for the development of water policies, guidance and regulations.

2.5 Determine how well the technical support products we offer meet our customers' needs.



MSD has provided \$282 million in grants for 33 water or wastewater treatment projects on or near the US-Mexico Border, like this pump station under construction at Ciudad Juárez, Mexico. These projects will benefit nearly 6 million people.

3.5 Support wider application of outstanding systems and innovations, using policies, guidance and model agreements to promote cooperation among service providers with similar goals and objectives.

3.6 Provide opportunities for feedback from our partners and service recipients, with appropriate recognition and follow-up actions.

MSD has developed about 130 fact sheets to help municipalities improve wastewater treatment effectiveness and manage wet weather pollution from storm drains and overflowing sewers.

Goal 3 - Lead Change

Support innovation and efficiency through enhanced partnerships.

Objectives

3.1 Evaluate and improve our systems for sharing our knowledge and information with our partners, and for gathering their knowledge and information.

3.2 Find and evaluate existing systems for wastewater treatment and fiscal management that promote efficiency, economy and accountability.

3.3 Create opportunities for innovations in wastewater treatment and fiscal management.

3.4 Demonstrate wider applicability of outstanding existing and innovative systems.

Thank you for reading the MSD Strategic Plan.
We welcome your comments and suggestions.

Richard T. Kuhlman, Director
kuhlman.richard@epa.gov

Sylvia Bell, Acting Deputy Director
bell.sylvial@epa.gov

Gary W. Hudiburgh, Chief
Municipal Assistance Branch
hudiburgh.gary@epa.gov

Robert E. Lee, Chief
Municipal Technology Branch
lee.bob@epa.gov

George Ames, Chief
State Revolving Fund Branch
ames.george@epa.gov

***Municipal Support Division
Office of Wastewater Management
U.S. Environmental Protection Agency
EPA East Building
1200 Pennsylvania Avenue, N.W. (4204 M)
Washington, D. C. 20460
(202) 564-0749
www.epa.gov/owm***

June 2002

Ê